



# Breas Sustainable Procurement Policy

Breas is committed to integrating sustainability into our procurement practices, ensuring ethical, responsible, and environmentally conscious sourcing across our supply chain. We prioritize suppliers who align with our values, adhere to our Code of Conduct, and demonstrate a commitment to sustainable practices.

The policy applies to the entire Breas Medical Group and all its legal entities, both domestic and foreign. It covers all employees, managers, contractors and business partners.

## 1. Objectives

Our objective is to foster collaborative, long-term relationships with suppliers that support sustainable practices and align with evolving standards. We focus on ethical sourcing, promoting the use of recyclable and biodegradable materials, and integrating circular economy principles. By evaluating the environmental impact across the lifecycle of products and services, we ensure procurement practices deliver mutual growth and long-term value.

To achieve these objectives, Breas is focused on measurable actions that reinforce our sustainability standards. Regular supplier ESG assessments alongside alignment to our Code of Conduct for Business Partners are improving the collaboration with the suppliers. The progress of the supplier engagement levels is incorporated into our management, sustainability goals, and objectives, which are updated annually.

## 2. Breas' Strategic Priorities

Breas is committed to fostering a sustainable and ethical supply chain through strong supplier engagement. The following strategic priorities are guiding our approach:

### 2.1. Environmentally Conscious Sourcing

**Environmental Management:** Encourage suppliers to integrate environmental management systems to reduce energy consumption, carbon emissions, and resource use. Promote practices that enhance resource efficiency and reduce waste in the supply chain.

**Waste Minimization:** Prioritize suppliers who implement waste reduction strategies and support the recycling and reuse of materials wherever possible.

**Responsible Materials:** Source materials that are sustainably produced, recyclable, and have minimal environmental impact.

**Circular Economy:** Foster innovation in circular economy practices, focusing on product design that supports reuse, recycling, and reduced material waste.

### 2.2. Promoting Social Equity and Ethical Practices

**Ethical Labor Practices:** Require suppliers to adhere to fair labor practices, ensuring safe and healthy working conditions, fair wages, and respect for workers' rights. Encourage diversity, inclusion, and non-discrimination in the workplace to promote social well-being.

**Conflict Minerals:** Suppliers must commit to sourcing materials free from conflict minerals, ensuring that their supply chains do not contribute to human rights violations or unethical practices.



**Community Engagement and Development:** Encourage suppliers to contribute positively to the communities in which they operate by supporting local economic development, education, and social well-being initiatives.

### 2.3. Strengthening Governance and Transparency

**Governance and Transparency:** Breas ensures supplier transparency through clear sustainability reporting and alignment with our ethical and environmental standards. We reinforce governance via robust monitoring and compliance checks, guided by our sustainability governance model.

**Anti-Corruption/Anti-Bribery:** Require suppliers to comply with anti-corruption laws and implement measures to prevent bribery, fraud, and other unethical practices.

**Fair Treatment and Supplier Diversity:** Promote fair treatment, diversity, and equality by setting clear expectations for suppliers and evaluating their inclusivity and non-discrimination practices. Breas also provides opportunities for small businesses and values diversity in our supply chain.

### 2.4. Supplier ESG Baseline Requirements

As part of Breas' responsible sourcing framework, all suppliers undergo ESG (Environmental, Social and Governance) screening and assessment during the supplier qualification process. Our minimum baseline requirement (Level 1) for all suppliers includes:

- Compliance with applicable environmental, labor, and ethical legislation
- Zero tolerance for forced labor, child labor, corruption, and sanctions violations
- Acceptance of the Breas Code of Conduct for Business Partners or BREAS accepting their own code of conduct.

Suppliers who do not meet Level 1 compliance will receive Conditional Approval with an agreed mitigation plan closing the identified gaps. Where non-critical ESG improvement needs are identified, Breas may request corrective actions and monitor progress in line with the Supplier Qualification Procedure. Any non-compliance with applicable legal requirements must be corrected. If the issue cannot be resolved, Breas reserves the right to suspend approval, terminate the relationship, or not approve the supplier for new designs.

Breas applies a risk-based and proportionate approach to supplier ESG evaluation. Detailed expectations are defined in the Supplier ESG Assessment Matrix, and Breas aims to work collaboratively with suppliers to gradually increase their ESG maturity over time.

## 3. Governance, Responsibilities and Review

This policy applies to all product and direct materials sourcing activities, from raw materials to finished medical devices, ensuring sustainability principles are integrated at every stage of the supply chain.

The sourcing team and the ESG team are jointly responsible for implementing this policy. They work in close collaboration to monitor compliance, track progress, and support the integration of sustainability considerations into sourcing practices.

Both teams are responsible for identifying best practices, addressing policy violations, and implementing corrective actions as needed. Ongoing compliance monitoring includes clear protocols for managing violations and enforcing consequences to ensure adherence to Breas' sustainability commitments.

The policy is reviewed annually by the sourcing and ESG teams and updated as necessary to remain aligned with best practices and regulatory requirements.